

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
May 4, 2005

DRAFT The minutes are not final until approved at the July 19-20, 2005 Board meeting.

Wednesday, May 4, 2005

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:42 a.m. on Wednesday, May 4, 2005 with Chair Dean Graf, CPA presiding. The roll was called with the following members present: Dean Graf, William Nuckolls, Jim Titus, Richard Zacharia, Doug Skiles, Anne Fuhrman, Tom Obrist, and Kate King Wu. Also present were Executive Director Dan Sweetwood, Staff members Kelly Ebert, Jo Lowe, and Intern Jess Paisley. The meeting was held at the Board Office at 140 N. 8th Street, Suite 290, Lincoln, Nebraska.
- B. Approval of Meeting Agenda for May 4, 2005.** Moved by Nuckolls, seconded by Obrist, to approve the agenda for the May 4, 2005 meeting. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #1 carried.
- C. Approval of Minutes from March 18, 2005.** Moved by Titus, seconded by Fuhrman to approve the Board minutes from the March 18, 2005 meeting. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #2 carried.

2. Public Comment Period (15 minute period)

Dan Vodvarka, President of the Nebraska Society of CPA's (NSCPA), was present to affirm collaboration with the Board relating to the Public Accountancy Act re-write legislation for the 2006 session. The NSCPA will help publicize any Board rule-making hearings. Also, he noted that the first NSCPA continuing professional education (CPE) courses begin May 16 in North Platte. Two four-hour ethics courses will be provided by the NSCPA, and NSCPA newsletter articles will note the specific number of hours of ethics available for CPE courses. NSCPA has invited Board Executive Director Dan Sweetwood to attend the August NSCPA Board retreat.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by King Wu, seconded by Obrist, to approve the consent agenda. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #3 carried.
- B. Approval of Disbursements.** Board Secretary Nuckolls reviewed the disbursement reports that were prepared by staff. Board members had questions regarding information provided on the NIS budget reports and Quick Books reports. Staff will continue to provide reports requested by Board members, such

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
May 4, 2005

as a balance sheet and monthly year-to date comparison reports. Disbursements for March 2005 were approved.

- C. **Review of Board Budget Status Report.** The Budget Status Report was provided.
- D. **Office Management Report.** The Office Management Report was provided.

Closed Session

Closed Session. Moved by Zacharia, seconded by Fuhrman, that the Board go into closed session at 9:23 a.m., for the purpose of personnel and enforcement issues. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #4 carried.

Return to Open Session. Moved by Skiles, seconded by King Wu, that the Board return to open session at 10:17 a.m. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #5 carried.

4. Report of the Chair

- A. **Executive Director Annual Evaluation.** The Board Executive Committee evaluated the Executive Director prior to the May Board meeting. Sample evaluation forms are also requested for future evaluations. Chair Dean Graf reported that the Board is very satisfied with the Executive Director's performance. Motion out of committee to recommend a 5% salary increase for Executive Director Dan Sweetwood effective July 1, 2005. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #6 carried. The Board recognized the staff for doing a good job.
- B. **Report on To Do List.** Corrections were made to the Board calendar.
- C. **Other Miscellaneous Items.** There were no miscellaneous items at this time.

5. Report of Enforcement of Professional Conduct Committee

- A. **Rodney Zwygart Appeal Update.** Executive Director Sweetwood reported that Board attorney Bob Gemit had indicated that the case was to be heard by the Nebraska Supreme Court in June.
- B. **Troshynski Appeal Update.** A letter was provided by Assistant Attorney General Lynn Melson that the case was to be heard by the Nebraska Supreme Court in June.
- C. **Open Case/LMCO Update.** Chair Graf reviewed the open cases and those cases recommended for closure.
- D. **Recommended Closure of Complaints.** Motion out of Committee to close case 05-01 due to lack of probable cause. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #7 carried.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
May 4, 2005

- E. **Report on To Do List.** There was no report at this time.
- F. **Other Miscellaneous Items.** There were no miscellaneous items at this time.

6. Report of Continuing Professional Education (CPE) Committee

- A. **Report of the Committee.** Committee Chair Nuckolls presented the report. The Committee reviewed a total of 125 courses from March 2, 2005 to April 12, 2005. Staff referred the Governmental Audit course to the Committee for review. The Committee met with Dan Vodvarka, NSCPA, regarding the use of Dana Weber as an instructor for CPE courses. Motion out of Committee to approve the Governmental Audit course with Dana Weber as an instructor. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #8 carried. Member Zacharia reported on the NASBA CPE Conference, information about courses offered by RIA Quizzers, and the NASBA CPE Committee process for review of sponsors and courses. The Committee also reviewed the first sponsor application. The Committee will still review individual courses submitted by an approved sponsor. Motion out of Committee to approve Vertex, Inc. as a CPE sponsor. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #10 carried. The Committee approved reinstatement applications for Erica Zikas, Gregory Detty, and Loretta Jean Long and the applications were referred to the Licensing Committee. The Board was provided with an updated list of current active permit holders who have not submitted CPE hours.
- B. **Ratification/Denial of Staff Program Qualification Evaluations.** Motion out of Committee to approve 125 courses reviewed from March 2, 2005 to April 12, 2005. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, and Zacharia voted aye. Member Titus was absent. Motion #9 carried.
- C. **Ratification of 2005 Audit of CPE Report.** The 2005 CPE Audit report was reviewed. Motion out of Committee to approve the 2005 CPE Audit Report. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #11 carried.
- D. **Report on To Do list.** There was no report at this time.
- E. **Other Miscellaneous Items.** There was no report at this time.

7. Report of Licensing Committee

- A. **Report of the Committee.** Committee Chair Titus gave the report. He summarized the Committee telephone conference call with North Carolina Board attorney Noel Allen and North Carolina Executive Director Bob Brooks, on April 21, 2005. North Carolina provided a copy of the pending appeal before the court on firm names, the North Carolina statute pertaining to firm names, and the North Carolina firm name guidelines. Two draft proposals with "Form of Practice and Name" Rule language were presented to the Board for consideration. Moved by

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
May 4, 2005

Titus, seconded by Fuhrman, to go into rule-making and to consider language in proposal #2 at a public hearing on July 19, 2005. Motion withdrawn. The Committee tabled the Deloitte and Touche LLP issue until more information can be gathered. The Committee reviewed the process for verification of the CPA and the CPA firm, on the experience verification form, to allow for verbal confirmation and documentation, to be attached to the applicant's form. The certificate revocation of 71 permit holders who have not renewed their permit for over three years will require an attorney general's opinion. The temporary practice issue was tabled. Committee member Fuhrman also met with Deann Haeffner, CPA, Nebraska Deputy Auditor, regarding whether or not the experience questions on the governmental experience form are appropriate.

Closed Session

Closed Session. Moved by Zacharia, seconded by Titus, that the Board go into closed session at 12:10 a.m., for the purposes of potential litigation discussion. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #16 carried.

Return to Open Session. Moved by Obrist, seconded by Zacharia, that the Board return to open session at 12:37 a.m. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #17 carried.

- B. Title 288 Rule Change Language for Chapter's 5 007.03 and 11 002 Form of Practice and Name.** Moved by Titus, seconded by Fuhrman to go into rule making and to consider proposal #3 language at a public hearing on July 19, 2005, to be held in a state capitol building hearing room. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #18 carried. The Board directed staff to provide a copy of the proposal to the NSCPA for review and comment, and for publication in the NSCPA newsletter.
- C. Ratification of initial permits to practice issued, certificates issued, firm permits.** Motion out of Committee to approve the permits to practice, certificates, and firm permits, issued between March 17 and May 3, 2005. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #13 carried.
- D. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Motion out of Committee to approve the reinstatement applications forwarded from the CPE Committee (see agenda item 6A). On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #14 carried. Motion out of Committee to approve the inactive retired applications and the surrendered certificate submitted between March 17 and May 3, 2005. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #12 carried.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
May 4, 2005

- E. **Report of To Do List.** There was no report at this time.
- F. **Other Miscellaneous Items.** There were no miscellaneous items at this time.

8. Report of Exam & Education (E&E) Committee

- A. **Report of the Committee.** Committee Chair Skiles gave the report.
 - 1.) **E & E Issues.**
 - a.) **Dana Hunsaker.** It appears that previous staff allowed the candidate to take the CPA exam after losing conditioning. Motion out of Committee to accept the education provided by Dana Hunsaker, and forward the certificate application to the Licensing Committee. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #19 carried. Motion out of Licensing Committee to approve Dana Hunsaker certificate application. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #20 carried.
 - b.) **CBT Update.** Chair Skiles reported on CPAES issues including the pass rate percentage for the CBT compared to the paper exam, the late release of scores, and fee increase response letters from other states. The Nebraska statistical summary of fourth window scores was provided.
 - c.) **CPAES Update.** Nebraska will participate in a pilot project to release unofficial scores to candidates that will allow more time to sign up and schedule an exam retake. Bridget Candler, Nebraska CPAES Coordinator, has been working on a survey of the exam application process for applicants and will be invited to participate in a future E & E Committee conference call.
 - d.) **Response to NASBA Education Committee on UAA Rules 5-1 and 5-2 Rules Change.** The draft letter was reviewed and discussed. The Board was not in favor of sweeping changes proposed by the NASBA Education Committee to UAA Rules 5-1 and 5-2 at this time. Moved by Skiles, seconded by King Wu to send the proposed letter with changes to the NASBA Education Committee. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #22 carried.
 - e.) **Exam Score Ratification.** Motion out of Committee to approve Fourth Window CPA CBT scores reviewed and approved by Chair Skiles. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #21 carried.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes

May 4, 2005

- B. **Other Miscellaneous Items.** Union College requested approval of a 1 credit hour course in ethics to allow students to meet requirements for the CPA CBT. Moved by Obrist, seconded by King Wu to approve the Ethics Course proposed by Union College. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #24 carried.
- C. **Report on To Do List.** There was no report at this time.

9. Report of the Legislative Committee

- A. **Report on Proposed Legislative Re-write Status.** Chair Graf reported on a recent meeting with previous Board Chair William L. Gaines, Jr., CPA, on the re-write status. The Committee will review the draft, make recommended changes, and meet with NSCPA to work on common language. The Committee hopes to have the proposed re-write to the Board for the July meeting.
- B. **Report on To Do List.** There was no report at this time.
- C. **Other Miscellaneous Items.** There were no miscellaneous items at this time.

10. Report of Quality Enhancement Program (QEP) Committee

- A. **Report of the Committee.** Committee Chair Fuhrman reviewed the QEP process. Firm reports are coming in and the QEP reviewers have been scheduled starting at the end of May. The final Committee meeting will be July 15, 2005.
- B. **Report on To Do List.** There was no report at his time.
- C. **Other Miscellaneous Items.** There were no miscellaneous items at this time.

11. Report of Executive Director

- A. **Board Budget Update.** Executive Director Sweetwood (ED) reported on the upcoming budget in FY 2006/ 2007. The ED appeared before the Legislative Appropriations Committee in February. Information provided by the Legislative Fiscal office reveals the Board's budget will include additional funds for temporary staffing and Board per diems as requested. The request for a full-time staff position in case of a failure at CPAES was eliminated. The ED reported overall the budget process went well, and the Board should be in good fiscal shape the next two years.
- B. **Report on NASBA Executive Director's Conference.** Executive Director Sweetwood thanked the Board for allowing staff members to attend the NASBA conference. Both the Executive Director and Staff Jo Lowe provided a summary of the conference to Board members.
- C. **NOL Update.** Meetings are ongoing with [Nebraska Online](#) to create the NBPA database and develop online licensing for the Board. Since the timeline has been pushed back, CPE reporting will be the first to go online in 2005, with 2006 licensing to follow. Board staff and NOL staff participated in a webcast with NASBA demonstrating the national database that could allow anyone to check for

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
May 4, 2005

CPA “substantial equivalency.” The new Board website will be activated in June. At an upcoming meeting Board Member Skiles will be updated on the progress of the project.

- D. Staffing and General Office Issues.** Staff evaluations will be conducted in May. Executive Director Sweetwood requested thoughts and comments from Board members. The former Board intern, Jess Paisley, and temporary employee, Justin Lowe, will provide support to staff during the 2005 licensing period and QEP submission.
- D. Report on To Do List.** There was no report at this time.
- F. Other Miscellaneous Items.** There were no additional miscellaneous items.

12. New Business

- A. National Association of State Boards of Accountancy (NASBA) Items:**
 - 1.) June 2005 NASBA Regional Meeting Update.** Board members are registered to attend.
 - 2.) NASBA Committee Member nominations.** Moved by Nuckolls, seconded by King Wu to support Kent Smoll, Kansas Board member, if he is nominated as NASBA Regional Director. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #23 carried.
- B. Other Miscellaneous Items.** Various articles were noted related to the CPA profession as provided by staff.

13. Board Retreat

At approximately 2:30 p.m., the Board moved to the second floor conference room for an informal learning styles exercise facilitated by Deane Finnegan, Leadership Lincoln Executive Director.

14. Adjournment

Moved by Obrist, seconded by Nuckolls, to adjourn the meeting at 4:10 p.m. on Wednesday, May 4, 2005. On a roll call vote, Members Graf, Fuhrman, King Wu, Nuckolls, Obrist, Skiles, Titus, and Zacharia voted aye. Motion #25 carried.

Respectfully submitted by,

William Nuckolls
Board Secretary